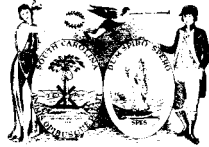


FRANCIS MARION UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
YEAR ENDED JUNE 30, 2003

State of South Carolina



Office of the State Auditor

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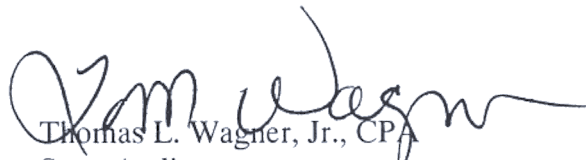
January 14, 2004

The Honorable Mark Sanford, Governor
and
Members of the Board of Trustees
Francis Marion University
Florence, South Carolina

This report on the application of certain agreed-upon procedures to the accounting records and the statement of revenues, expenditures, and transfers of the Francis Marion University Intercollegiate Athletics Program for the fiscal year ended June 30, 2003, was issued by Rogers & Laban, PA, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know

Respectfully submitted,


Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/trb

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Mr. Thomas L. Wagner, Jr., CPA
State Auditor
State of South Carolina
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Board of Trustees and management of Francis Marion University, solely to assist the University in complying with NCAA Constitution section 6.2.3.2 for the fiscal year ended June 30, 2003. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Board of Trustees and management of Francis Marion University. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures and associated findings are as follows:

We obtained the statement of revenues, expenditures, and transfers of the Francis Marion University Intercollegiate Athletics Program prepared by the University's accounting department for the year ended June 30, 2003, shown as Attachment A in this report. We recalculated the addition of the amounts on the statement, traced those amounts to management's worksheets or to the relevant accounts in the University's general ledger. We found no exceptions as a result of the procedures.

2. We scanned the intercollegiate athletics program contributions revenue accounts detail in the athletic department series of accounts in the University's general ledger to identify each individual contribution received directly that constitutes more than ten percent of all contributions received for intercollegiate athletics. During fiscal year 2003, one contribution in the amount of \$16,000 was received from the Francis Marion University Foundation.
3. We asked management to described specific elements of the University's internal controls unique to the intercollegiate athletics program's accounting system and financial reporting.
 - a) Based on the materiality of certain revenue sources reported on the statement, we tested certain randomly selected recorded tuition waivers, gifts, contest tournaments, and NCAA distributions to determine if they were complete and properly classified based on a review of the supporting financial aid listings, letters and instructions from donors, and transmittal letters from the NCAA. We also tested the selected recorded revenues to determine if internal controls over the reporting of these revenues were adequate. We found no exceptions as a result of the procedures.

- b) Based on the materiality of certain expenditure accounts reported on the statement, we tested certain randomly selected recorded expenditures for contractual services, supplies, travel, and financial aid to determine if these expenditures were complete, properly classified, and properly authorized based on a review of the supporting documentation of vendor invoices, contracts with suppliers, travel vouchers, purchase orders and worksheets prepared by the University's accounting personnel based on information supplied by the University's Financial Aid Office and if internal controls over the reporting of these expenditures were adequate. We traced selected recipients of student financial aid as shown on the worksheet to the financial aid award letters. We found no exceptions as a result of the procedures.
4. From the University's file of cash receipts, we randomly selected two receipts prepared by the Bursar's office for the intercollegiate athletics programs for testing. We verified their clerical accuracy, reviewed supporting documentation to determine if the receipts were properly classified, and traced the receipts to the University's general ledger accounts for the intercollegiate athletics program. We found no exceptions as a result of the procedures.
5. We obtained a worksheet of the athletic department salaries and employer contributions by sport prepared by accounting department personnel and agreed it to information supplied by the University's Human Resource Department, the University's general ledger and to the amount reported on Attachment A. We found no exceptions as a result of the procedures.
6. From the University's accounting department personnel, we inquired as to whether the University had any outside organizations not under the University's control which made expenditures on behalf of the University's intercollegiate athletics program or employees. We were told that the University had recorded in-kind lodging and medical physicals. We reviewed the support for these in-kind expenditures. We found no exceptions as a result of the procedures.

We were not engaged to, and did not, perform an audit, the objective of which is the expression of an opinion on the specified areas, accounts, or items and on the effectiveness of the internal controls over financial reporting described in paragraph one and procedures one through six of this report. Accordingly, we do not express such opinions. Had we performed additional procedures or had we conducted an audit or review of the financial statements of the University's intercollegiate athletics program or any part thereof, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor of the State of South Carolina and Board Members and management of Francis Marion University and is not intended to be and should not be used by anyone other than these specified parties.

Rogers & Lalan, PA

December 11, 2003

Francis Marion University
Intercollegiate Athletics Program
Statement of Revenue, Expenses, and Transfers
Year Ended June 30, 2003

	Men's Sports	Women's Sports	Non-Program Specific	Totals
Revenues:				
Ticket Sales	\$ 2,676	\$ 943	\$ -	\$ 3,619
Concessions	-	-	-	-
Newsletter	2,247	4,189	-	6,436
Contest Guarantees	500	500	-	1,000
Contest Tournaments	8,190	8,490	-	16,680
Camps and Clinics	5,165	11,016	-	16,181
NCAA Distributions	18,505	2,907	2,878	24,290
Gifts:				
Unrestricted	6,190	4,532	7,705	18,427
Restricted	23,267	112,983	-	136,250
In-Kind:				
Lodging	350	1,010	-	1,360
Medicals-Physicals	5,500	4,450	-	9,950
Tuition Waivers for Athletes	170,124	171,144	-	341,268
State Appropriations	274,438	275,387	447,062	996,887
Other	-	-	7,165	7,165
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	517,152	597,551	464,810	1,579,513
Transfers In:				
From Unrestricted Funds for Scholarships	184,550	90,429	-	274,979
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue and Transfers In	<u>\$ 701,702</u>	<u>\$ 687,980</u>	<u>\$ 464,810</u>	<u>\$ 1,854,492</u>

Francis Marion University
Intercollegiate Athletics Program
Statement of Revenue, Expenses, and Transfers (continued)
Year Ended June 30, 2003

	Men's Sports	Women's Sports	Non-Program Specific	Totals
Expenditures:				
Salaries and Benefits:				
Coaches	\$ 171,942	\$ 169,024	\$ -	\$ 340,966
Other	-	-	335,249	335,249
Student Wages	-	-	13,326	13,326
In-Kind:				
Lodging	350	1,010	-	1,360
Medical-Physicals	5,500	4,450	-	9,950
Travel:				
Recruiting	7,522	9,331	-	16,853
Team	79,559	55,607	-	135,166
Other	1,712	2,144	3,202	7,058
Contractual Services:				
Officials	13,421	22,505	-	35,926
Other Contractual Services	19,813	10,471	6,111	36,395
Supplies	46,623	38,014	40,722	125,359
Insurance	-	-	48,000	48,000
Dues	585	870	18,200	19,655
Financial Aid:				
Waivers	170,124	171,144	-	341,268
Scholarships	184,551	203,410	-	387,961
Total Expenses	\$ 701,702	\$ 687,980	\$ 464,810	\$ 1,854,492